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**U.S. SETTLES FALSE CLAIMS ACT SUIT
AGAINST MONTEFIORE MEDICAL CENTER**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced today that Montefiore Medical Center has agreed to pay \$12 million to settle civil charges in a suit commenced under the qui tam provisions of the False Claims Act.

The United States today intervened and simultaneously filed its Complaint and a Stipulation and Order of Settlement and Dismissal in the suit. The Complaint of the United States alleges that Montefiore improperly retained overpayments obtained from Medicare. United States District Judge SHIRA A. SCHEINDLIN approved the settlement today in Manhattan federal court.

The Complaint of the United States alleges that Medicare overpaid Montefiore by \$5.6 million for graduate medical education expenses in connection with the 1988 cost year. Although Montefiore was obligated to repay the funds once the reconciliation process for 1988 was complete, Montefiore improperly retained the funds and removed the outstanding \$5.6

million liability from its internal books and records, thus effectively writing off the \$5.6 million amount that Montefiore owed the Medicare program. The Complaint also alleges that in 1997 and 1998, Montefiore failed to repay two installment payments of \$2.1 million each owed to Medicare in connection with an overpayment received for the 1990 cost year.

Mr. KELLEY stated: "This settlement reflects the federal Government's continuing resolve to safeguard the financial integrity of the Medicare program by ensuring that Medicare providers meet their obligations under the rules governing Medicare's payment program."

Assistant United States Attorney BETH E. GOLDMAN is in charge of the case.